GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4999
ANSWERED ON:26.04.2002
SERVICE TAX ACT, 1994
ANANTA NAYAK

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Service Tax Act, 1994 is not applicable in Jammu and Kashmir;

(b) if so, the reasons therefore; and

(c) the revenue the Union Government have lost thereby till date?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (REVENUE) (GINGEE N. RAMACHANDRAN)

(a) & (b) Service Tax has been introduced through the provisions of the Finance Act, 1994 (and not any Service Tax Act, 1994), Service Tax provisions have not been extended to the State of Jammu and Kashmir as a matter of policy.. .

(c) Since it was a conscious decision not to extend Service Tax Law to the State of Jammu and Kashmir the question of any loss of revenue on this account does not arise.